

Who Wins and Loses, and How Will E-Markets Affect Rural America?

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Panel Topic 2 Discussant

USDA Agricultural Outlook Forum 2001

Arlington, VA - February 22, 2001

Overview

- Both Winners & Losers
 - ◆ Defining characteristics?
- Thoughts on policy & the rural business environment

Winners & Losers?

■ Access

- ◆ Rural internet penetration 39%,
up 75% from 12/98-8/00 (DOC)
- ◆ Wireless internet
- ◆ Digital divide?

Winners & Losers?

■ Understanding Market Segments

- ◆ Convenience
- ◆ Relationship
- ◆ Price
- ◆ Information
- ◆ Service & support
- ◆ Product performance

■ E-Market or not?

Winners & Losers?

■ Proactive Pricing

- ◆ Transparency threat
- ◆ Price sensitivity
- ◆ Which market mechanism?
 - Set price
 - Negotiation
 - Horizontal interaction

Winners & Losers?

■ Attitude

◆ "Human Connectedness"

- ◆ Importance of relationships
- ◆ Social capital & terms of trade

◆ Organizational culture

Winners & Losers?

■ Strategic Fundamentals

- ◆ Best business model still wins
- ◆ Defining (or redefining) product
 - *More Encyclopedia Britannicas?*
- ◆ Will existing value chains fragment?
- ◆ Opportunity - Small firms/farms?

Thoughts on Policy

■ Emerging Frontiers

- ◆ Consumer privacy
- ◆ International law
- ◆ Intellectual property
- ◆ Fraud
- ◆ Taxation
- ◆ Concentration

■ US Rural Policy